

Message Text

CONFIDENTIAL

PAGE 01 KAMPAL 02120 020917Z

14

ACTION AF-18

INFO OCT-01 EUR-25 ADP-00 CIAE-00 DODE-00 PM-07 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-12 AID-20 EB-11 COME-00 TRSE-00 OMB-01 RSR-01

/141 W

----- 103729

R 291435Z JUN 73

FM AMEMBASSY KAMPALA

TO SECSTATE WASHDC 2759

INFO AMEMBASSY DAR ES SALAAM

AMEMBASSY LONDON

AMEMBASSY NAIROBI

AMEMBASSY OTTAWA

C O N F I D E N T I A L KAMPALA 2120

C O R R E C T E D C O P Y (CORRECT DATE LINE TWO OF SUMMARY TO
READ JUNE 29 VICE JUNE 28)

E.O. 11652: GDS

TAGS: PFOR EIND EAID UG CA

SUBJ: CANADIAN-UGANDAN RELATIONS: BATA NATIONALIZATION

SETTLED AMICABLY; AMIN MAY NOT ATTEND COMMONWEALTH
CONFERENCE

REF: KAMPALA 1825

SUMMARY. CANADIAN HIGH COMMISSIONER OLIVIER MET WITH
PRESIDENT AMIN JUNE 29 TO DISCUSS GOU TAKE-OVER OF BATA SHOE
FIRM. AMIN REVERSED EARLIER DECISION AND ORDERED THAT A NEW
PARTNERSHIP ARRANGEMENT (51 PERCENT BATA, 49 PERCENT GOU)
BE WORKED OUT. AMIN TOLD OLIVIER HE MAY NOT ATTEND COMMON-M
WEALTH CONFERENCE IN OTTAWA IN AUGUST AFTER ALL, AS HE IS
CONCERNED ABOUT HIS SECURITY AFTER RECEIPT OF THREATENING
LETTERS. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KAMPAL 02120 020917Z

1. OLIVIER MADE ANOTHER OF HIS SUDDEN AND BRIEF VISITS

TO KAMPALA, FROM HOME BASE NAIROBI, ON JUNE 28, SOLELY TO MEET WITH GENERAL AMIN REGARDING BATA NATIONALIZATION. ACTING PERM SECS OF COMMERCE AND FOREIGN MINISTRIES, ATHIYO AND ETIANG, HAD LAID GROUND WORK WITH AMIN AND HAD ADVISED OLIVIER THEY THOUGHT A COMPROMISE AGREEMENT COULD BE WORKED OUT. OLIVIER REMAINED CONCERNED, AS HE HAD BEEN DURING HIS PREVIOUS VISIT (REFTEL), THAT AMIN WOULD ASK FOR QUID PRO QUO IN FORM OF RETURN TO UGANDA OF CANADIAN AID TECHNICIANS.

2. IN HIS OPENING REMARKS TO OLIVIER AMIN EXPRESSED UNHAPPINESS AT WITHDRAWAL OF CANADIAN AID PERSONNEL, FOR WHOM HE HAD NOTHING BUT PRAISE, BUT HE DID NOT DIRECTLY ASK FOR THEIR RETURN. WHEN DISCUSSION GOT DOWN TO BRASS TACKS OF BATA TAKE-OVER, COMPANY REPRESENTATIVE PROPOSED CONVERSION OF FIRM TO A JOINT VENTURE 60 PERCENT OWNED BY BATA AND 40 PERCENT BY GOU. COMMERCE MINISTRY REP (NOT ATHIYO) PRESENT COUNTERED WITH 60 PERCENT GOU AND 40 PERCENT BATA OWNERSHIP PROPOSAL. THEREUPON AMIN RECALLED HIS MAY DAY 1971 SPEECH IN WHICH HE HAD SAID HE SAW NO NEED TO TAKE OVER ALL FOREIGN ENTERPRISES IN COUNTRY, AND GENERAL THEN DECREED THAT NEW FIRM WOULD BE 51 PERCENT OWNED BY BATA AND 49 PERCENT BY GOU, WITH UGANDANS TO PARTICIPATE IN FIRM MANAGEMENT. HE INSTRUCTED CIVIL SERVANTS TO WORK OUT DETAILS WITH BATA.

3. COMMENT: THIS IS FIRST NATIONALIZATION CASE THAT HAS BEEN RESOLVED, AND, IN FACT, FIRST CASE WHERE ANY PROGRESS HAS BEEN MADE TOWARD SETTLEMENT. OLIVIER THOUGHT IT MIGHT BE A PRECEDENT FOR SETTLEMENT OF OTHER CASES OF NATIONALIZATION, BRITISH AND AMERICAN, EXCEPT THAT AMIN IS DECIDEDLY PARTIAL TOWARD CANADIANS, WHOM HE DISTINGUISHES FROM "IMPERIALISTS" SUCH AS BRITISH AND AMERICANS. END COMMENT.

4. AMIN TOLD OLIVIER HE HAS NOT YET MADE UP HIS MIND RE ATTENDING COMMONWEALTH CONFERENCE AT OTTAWA IN AUGUST. HE SAID HE HAS BEEN RECEIVING THREATENING LETTERS AND IS CONCERNED ABOUT HIS SECURITY. OLIVIER RESPONDED THAT NO COUNTRY COULD GUARANTEE ABSOLUTE 100 PERCENT SECURITY TO ANY CHIEF OF STATE, BUT AMIN COULD REST ASSURED GOC WOULD PROVIDE MAXIMUM SECURITY POSSIBLE. AMIN SAID IF HE WENT HE WOULD

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KAMPAL 02120 020917Z

TAKE ONLY FIVE PEOPLE WITH HIM, NOT THIRTY HE HAD PLANNED ON BEFORE. IF HE DOES NOT GO, HE SAID HE WOULD SEND ONLY TWO PEOPLE TO REPRESENT HIM.

5. OTHER MAJOR CANADIAN INVESTMENT IN UGANDA, KILEMBE MINES (70 PERCENT FALCONBRIDGE OWNED) IS DOING WELL, ACCORDING OLIVIER. COMPANY BELIEVES ORE CAN LAST ABOUT TEN YEARS, BUT IT IS RELUCTANT TO AGREE TO GOU-ASKED TERMS THAT IT RENEW

ITS CONCESSION FOR FIVE YEARS AT LEAST. OF CONCERN TO COMPANY
IS THAT IT IS HAVING DIFFICULTY HOLDING ON TO KEY 75 EXPATRIATE
PERSONNEL, PARTLY BECAUSE THEY DON'T LIKE CONDITIONS IN
UGANDA AND PARTLY BECAUSE THEY HAVE ATTRACTIVE OFFERS
ELSEWHERE. OLIVIER BELIEVES GOU WILL NOT DO ANYTHING TO
DISTURB KILEMBE MINES, AS IT PROVIDES LIVELIHOOD FOR OVER
5000 UGANDANS, AS WELL AS FOREIGN EXCHANGE EARNINGS.
KEELEY

CONFIDENTIAL

NNNNMAFVVZCZ

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KAMPAL02120
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS KEELEY
Errors: N/A
Film Number: n/a
From: KAMPALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973062/aaaaabfu.tel
Line Count: 124
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 KAMPALA 1825
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 10 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10-Jan-2002 by cunninfx>; APPROVED <01-Feb-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CANADIAN-UGANDAN RELATIONS: BATA NATIONALIZATION SETTLED AMICABLY; AMIN MAY NOT ATTEND COMMONWEALTH
TAGS: PFOR, EIND, EAID, UG, CA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005